

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Location 2280' FNL & 1970' FEL of Section 29, Block 9, University Lands Survey,  
Andrews County. Ground Elevation 3172'. Rig: Oryan Rig # 7. Spud Date: 6/3/2013

Date: 6/19/2013 06:00 to 6/20/2013 06:00

Start Depth: 12,829' End Depth: 12,896'

Daily Summary: TOH for bit and BHA; TIH w/bit

Daily Cost Estimate: \$39,808

Cum Cost Estimate: \$1,112,816

Date: 6/20/2013 06:00 to 6/21/2013 06:00

Start Depth: 12,896' End Depth: 13,288'

Daily Summary: TIH with last 30 stds, Service Rig, Drill to 13,288, Condition & Circulate

Daily Cost Estimate: \$39,808

Cum Cost Estimate: \$1,152,624

Date: 6/21/2013 06:00 to 6/22/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Circulate clean hole pump sweeps, ream, pump WT pill, continue tripping to lay down directional tool.

Daily Cost Estimate: \$39,808

Cum Cost Estimate: \$1,192,432

Date: 6/22/2013 06:00 to 6/23/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Tripping out of hole, laydown directional tool, service rig, Trip in hole, No fill in hole, Circulate btms up, Trip out of hole.

Daily Cost Estimate: \$115,906

Cum Cost Estimate: \$1,308,338

Date: 6/23/2013 06:00 to 6/24/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Trip out of hole to pick up liner. Rig up casing crew equipment. Run 70 Jts 4 1/2", Butt Thread, 11.6#, P110, 3127.49, Plus Hanging Tool. Trip in the hole with drill pipe F/ 3161' to 12,019'. Circulate, pump and sweep hole clean. Start back in w/ liner.

Daily Cost Estimate: \$45,566

Cum Cost Estimate: \$1,353,904

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 6/24/2013 06:00 to 6/25/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Working pipe free, Cond & Circ, Circ, pump sweep & pipe lube. TOH w/liner and parted liner hanger assy. Left liner hanger and liner in hole. RD csg crew and LD truck. Wait on fishing tools.

Daily Cost Estimate: \$33,106

Cum Cost Estimate: \$1,387,010

Date: 6/25/2013 06:00 to 6/26/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Waiting on fishing tool. Caliper, strap tools, p/u sear, jars, bumper sub and XO. Trip in hole with spear to 8900'. Slowly ease down to top of fish at 8957', work spear, gain 9k weight. Slowly trip out of hole with extra weight. Possible some or all of fish, recover 5.63' of hanger.

Daily Cost Estimate: \$102,956

Cum Cost Estimate: \$1,489,966

Date: 6/26/2013 06:00 to 6/27/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Fishing break out and LD bottom section of hanger. Break down spear. Service rig and top drive. Wait on grapples. Hang tongs, torque all 2-3/8" connections, and change out rig tongs. TIH w/fishing tools to fish at 8962'. Work fishing tools. Catch fish; verified catch with weight. Jar on fish, weight 160K. Set jars off at 240K. Cock jars at 140K. Fish move down approx. 18' losing approx. 3' of downward movement. C & C mud around backside, not down casing. Waiting on orders.

Daily Cost Estimate: \$34,800

Cum Cost Estimate: \$1,524,766

Date: 6/27/2013 06:00 to 6/28/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Fishing. Rig service. Circulate condition mud in pits.

Trip out of hole, change tongs, break out spear, make up casing cutter.

Change tongs, trip in hole with cutter tag fish at 8974'. Verify slide in & out of tool, and setting depth of tool, make cut w/210 turns @ 10 RPMs, 5k wt on tool, cut made verified by extra RPMs picked up. Trip out of hole with cutting tool.

Daily Cost Estimate: \$23,656

Cum Cost Estimate: \$1,548,422

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 6/28/2013 06:00 to 6/29/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Continue to trip out of hole, break and lay down cutting tool. Make up spear, trip in and tag fish at 8985'. Work spear, set grapple, break pipe, ST/WT 160k PU/WT 168 when pipe parted. Rig repair top drive pipe grabber broke. Trip out of hole, strap out of hole, no fish, grapple slipped. Wait on new grapple and rig service.

Daily Cost Estimate: \$23,506

Cum Cost Estimate: \$1,571,928

Date: 6/29/2013 06:00 to 6/30/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Wait on grapples. Fishing. Change out tongs and grapples.

Trip in hole with BHA 11 stds HWDP, 20 stds drill pipe. Hang blocks, cut slip drill line 150 ft.

Trip in hole to 8874' top of fish PU/Wt 160k, SO/WT 140K. Catch fish move pipe up and down with spear unable to shearcut loose, pulled 90K over ST/WT during attempt. Top drive down, rig repair. Trip out of hole with spear no recovery. Wait on Baker Hughes Wireline Truck.

Rig up wireline truck.

Daily Cost Estimate: \$23,606

Cum Cost Estimate: \$1,595,534

Date: 6/30/2013 06:00 to 7/1/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Fishing. Rig Baker Hughes Wireline Equipment, safety meeting. Trip in hole with collar locator and chemical cutting tool. Locate failed manual cut, position and cut at 8889', 20' above next collar down at 8909'. Trip out of hole with cutter, rig down Baker Tools, cutter went off as planned, good cut. Changed out jars, bumper sub, grapples, trip in hole. Rig repair, turn hub on #1 motor to line up air hole for clutch. Continue trip in hole to fish at 8860', check St/WT 145K, SO/WT 140k. Sting into fish 17' total catch 10' of pipe below grapple, leaving 20' 4 1/2" pipe up from next collar at 8909'. Top of fish at 8889'. Trip out of hole with catch, slowly recover cut off. Wait on welder to cut 4 1/2" tube below hanger XO and grappler, break lay down tools. Pick up overshoot, trip in hole.

Daily Cost Estimate: \$44,910

Cum Cost Estimate: \$1,640,444

Date: 7/1/2013 06:00 to 7/2/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Fishing. Trip in hole to 8879', 10' above fish to circulate. Circulate and condition hole and mud. Set overshot, confirm catch with pump pressure. Pump with 66 STKS, 1050 PSI, Vis 42, Wt 9.2, WL 6, jaring on fish. Circulate and wait on vacuum truck. Spot 30 bbls. oil for hole lub and lighten hydrostatic. Jaring on fish with out pump. Jaring on fish while circulating.

Daily Cost Estimate: \$ 23,406

Cum Cost Estimate: \$1,663,850

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 7/2/2013 06:00 to 7/3/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Jarring on fish with no movement. Circulate wait on orders and acid equipment. Rig up basic acid equipment. Test lines, pump 23 bbls acid, pipe in tension 180k. Jar on fish, no movement. Circulate out acid 10bbls. Put 5 right hand turns in tension 180k. Back off fish. Trip out of hole to change tools. Making up new tools.

Daily Cost Estimate: \$ 50,906

Cum Cost Estimate: \$1,714,756

Date: 7/3/2013 06:00 to 7/4/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: FISHING. Make up tools, trip in hole to 8889' top of fish. Circulate bottoms up, ST/WT 150K, SO/Wt 145K. Rig up Basic Equip., Pump 60 BBLs 15%HCL, Double NEFE, with retarder Ultra Gel 950, at 10Gals, per 1000 gals, Displace acid over fish. Work jars with out pumps, no movement. Circulate out acid. Jaring on fish, ordering nitrogen.

Daily Cost Estimate: \$ 34,506

Cum Cost Estimate: \$1,749,262

Date: 7/4/2013 06:00 to 7/5/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: FISHING. Jaring on fish waiting on nitrogen and equipment. Rig up nitrogen equip, make ready choke manifold. Rig up nitrogen equip, make ready choke manifold pumping nitrogen 57000 CFM at 1000PSI. Work pipe, rig down nitrogen equipment. Circulate out nitrogen. Rig up Baker Wire Line truck, freepoint, 10,378' - 100% free, 10,595' - 100% free, 10,729' - 74% with only 50% back. Pull line out rig down equipment. Pick up 1 jt pipe remove overshot from fish. Trip out of hole to fish tools. Break lay down fish tools. Trip in hole open ended to lay down drill pipe.

Daily Cost Estimate: \$ 40,756

Cum Cost Estimate: \$1,790,018

Date: 7/5/2013 06:00 to 7/6/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: TRIPS Trip in hole open ended. Top drive repair. Cut and slip 1560' drill line. Run 3 stands top drive down. Finish running in the 93 stands. Rig up lay down equipment. LD DP Lay down drill pipe and HWDP. Remove laydown pole from floor, trip in with 42 stand rig up lay down pole. Rig down lay down equipment. Start nipple down, hole is full, with 9.2 wt, vis 43, Ph 10, water loss 7, hole secure.

Daily Cost Estimate: \$ 119,451

Cum Cost Estimate: \$1,909,469

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 7/6/2013 06:00 to 7/7/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Nipple down BOPE, install well head, and clean pits.

Rig release at 15:00 hrs, 7/6/2013.

Daily Cost Estimate: \$ 27,450

Cum Cost Estimate: \$1,936,919

Date: 7/22/2013 06:00 to 7/23/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Arrived at location State AQ 8H, rig rigging up. Strapping 2 7/8", picking up 2 7/8" tubing, standing in derrick. Secure Well.

Daily Cost Estimate: \$ 5,125

Cum Cost Estimate: \$1,942,044

Date: 7/23/2013 06:00 to 7/24/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Finish picking up 2 7/8" tubing, reset racks and cat walk for 4 1/2" CSG, find B - sect wellhead to be delivered the next morning with installer. Secure well.

Daily Cost Estimate: \$ 5,125

Cum Cost Estimate: \$1,947,169

Date: 7/24/2013 06:00 to 7/25/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Remove tubing hanger and install B - Sect wellhead. Test to 1000 psi. Double stud adapt not holding test, only 450 psi. Try to tighten double stud adapt casing valve on A - Sect wellhead, starts leaking at wellhead side. Decision was made to remove double stud adapt. Change with 13 5/8" 5M by 11" 5m to hang 4 1/2" casing In. This will be delivered tomorrow 7/25/13. Repair leaking 3" nipple to 3" valve. Secure Well.

Daily Cost Estimate: \$ 7,591

Cum Cost Estimate: \$1,954,760

Date: 7/25/2013 06:00 to 7/26/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Remove BOPE, 11" 5M by 7-1/16" 5M tbg hanger and 13-5/8 5M by 11" 5M DSA. Cut off 7" casing and install B section. Test to 2500 psi OK, RU floor, PU casing mill, TIH and tag top of casing @ 8889' RKB (w/new KB 6' TOF @ 8899'). Break circ, WO water, est. circ. Start milling on 4-1/2" csg stub, made 3", had good returns of fluid and metal cuttings. Circ BU, SD and SWFN.

Daily Cost Estimate: \$ 14,505

Cum Cost Estimate: \$1,969,265

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 7/26/2013 06:00 to 7/27/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Milled on top of liner fish, cut a total of 6". Circ 1hr, TOOH, LDDC and mill. RU floor, catwalk and casing crew, tongs and slip bowl. MU patch, apply thread lock, SIH with 4-1/2 casing patch. Ran 67 jts of pipe to approx. 3000' when a hydraulic hose on the casing crew's equipment ruptured. SWFN.

Daily Cost Estimate: \$ 11,060

Cum Cost Estimate: \$1,980,325

Date: 7/27/2013 06:00 to 7/28/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Continue running casing patch from 3000' to liner fish top @ 8899' completion rig depth. Set down with patch and stack 87,000 lbs., PU 5000 lbs. over string weight, confirmed good catch. RU to circulate, break circulation with no pressure, had 250 psi maximum circulating pressure. RU fluid caliper service, pump caliper with no fluid losses. Calipered total annular volume is 1421 cu. ft. from guide shoe at 12,034'. Average hole size is 6-3/8". Secure well.

Daily Cost Estimate: \$ 31,495

Cum Cost Estimate: \$2,011,820

Date: 7/29/2013 06:00 to 7/30/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Baker cementers arrived, RU equipment. Ordered 240 bbls 2% KCL for displacement. Removed tubing valve and wait on 3 more lines from Baker. Test lines to 4500 psi. Pumped 10 bbls fresh water, 20 bbls SureBond III, 10 bbls FW spacer, then 87 bbls of 50/50 poz cement: Premium Plus H cement + 0.1% bwoc FL-52 + 1.2% bwoc FL-62 + 0.4% bwoc Sodium Metasilicate + 0.2% bwoc CD-32 @ 14.2 ppg. Yield = 1.24cu ft/sk. Washed up pump and lines, dropped plug and displaced with 185 bbls 2% KCL, pumped 5 bbls over calculated displacement and bumped plug. Stopped pmpg to hold pressure of 1900 psi, dropped to 1200 psi and held. SI casing valve, held pressure. SWFN.

Daily Cost Estimate: \$ 5,370

Cum Cost Estimate: \$2,017,190

Date: 7/30/2013 06:00 to 7/31/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: RU Baker Hughes pump truck. Open casing valves, test casing to 1500 psi w/2 bbls fresh water, pressure dropped to 1200 psi. Increased pressure to 3000 psi with 4 bbls fresh water pressure dropped to 2000 psi. Casing would not test. Decision made to land casing in casing head and install tubing spool. Test to 200 psi - OK. LD 2-7/8" tbg, 2-3/8" tbg will be delivered for work string to locate and remediate leak.

Daily Cost Estimate: \$ 35,963

Cum Cost Estimate: \$2,053,153

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 7/31/2013 06:00 to 8/1/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Finished. LD 2-7/8" tbg. WO 2-3/8" PH6 workstring to be delivered. Started in with work string, will run 3 grades: L-80, P-95 and P-110. SWFN.

Daily Cost Estimate: \$ 22,912

Cum Cost Estimate: \$2,076,065

Date: 8/1/2013 06:00 to 8/2/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Continue PU 2-3/8" PH6 work string and SB in derrick. MIRUWLU, MU and run CBL. Made 2 runs, GR tool failed at 900 ft. each time. Cut line and rehead, released truck and WO new truck. RU new truck and ran CBL, found TOC @ 7600 ft. Cement looked good from patch to TOC. Tools would not go through patch. Ordered tapered mill to clean out ID of casing and patch. Cement good to patch. Ordered tapered mill to clean out the inside of the casing and patch.

Daily Cost Estimate: \$ 11,815

Cum Cost Estimate: \$2,087,880

Date: 8/2/2013 06:00 to 8/3/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: TIH with tapered mill to 8828' and set down on cement. PU and set down three times, each time the mill set down at different depths. PU and circulated at tag up to check returns for indications of obstructing material but did not see anything at the surface. TOO, LD mill, PU bit and TIH 35 stands. SWFN with safety valve.

Daily Cost Estimate: \$ 14,296

Cum Cost Estimate: \$2,102,176

Date: 8/5/2013 06:00 to 8/6/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Trip in hole with bit on 2 3/8" tubing, tag at 8874'. Rig up reverse unit to circulate, took 9 bbls. When circulation was broke hole stayed full. Drill not making any hole, getting up small metal flakes no cement. Trip out with bit. Getting good count on pipe in derrick. Inspection of bit has wear on gauge row of all three cones. There is no cement in pipe. This bit run ties in with the cement bond log and the first taper mill run at 8874' the liner tie. This indicated that the liner top that was milled off has a rolled in lip and curled in burrs. Tripping back in hole picking up 4 3 1/8" drill collars, two XO subs, one taper mill, length 124.28' strapping all pipe back in hole to 3251'. Secure well.

Daily Cost Estimate: \$ 9,196

Cum Cost Estimate: \$2,111,372

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/6/2013 06:00 to 8/7/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Continue TIH, strapping pipe for a total of 141 stands and milling assembly of 124.28' to 8857'. PU one joint and tag up 17' in at 8874'. RU reversing unit and break circulation with 6 bbls circulating pressure was 600psi. Start milling @ 11:30 AM with torque set at 500 psi. Rotate with 20 RPM. Increase torque to 550 psi and 40 RPM, then to 600 psi and 60 RPM, all with 500 to 1000 lbs weight on mill. Milled from 8874' to 8875'. The mill is 2 ft. long. The first foot from the nose up tapers from an OD of 1-1/2" to 3-1/8". The next foot, up to the connection, tapers from 3-1/8" to 3-7/8". Milled for a total of 6 hours, recovered minimum metal shavings. We believe we are milling on the 3-1/8" to 3-7/8" section of the mill at the end of the day.

SWFN

Daily Cost Estimate: \$ 9,374

Cum Cost Estimate: \$2,120,746

Date: 8/7/2013 06:00 to 8/8/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Break reverse circ. @ 3 BPM and 850 psi, took 6 bbls to fill pipe. Circ. 2 BU. Milled on obstruction at casing patch with 48 RPM, 700 psi torque pressure and 500 to 800 lbs weight 3 hrs. Increased to 100 RPM and held torque from 650 to 700 psi, circulating @ 2 BPM and 550 psi. Returns had better metal cuttings volume and shape. Milled through obstruction and worked mill through it 10 times, no drag or torque seen. TIH to 10,020' and tagged nothing. TOOH, did not have torque or drag through patch. LDDC and mill. Mill showed wear on cutrite from 3" up to the top full gauge area at end of cutrite. SWFN.

Daily Cost Estimate: \$ 11,053

Cum Cost Estimate: \$2,131,799

Date: 8/8/2013 06:00 to 8/9/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: MU 3-7/8" bit, bit sub, 2-3/8" PH6 workstring. TIH, patch was clean, wellbore was clear down to 11,962', tagged up hard. This depth is approx. 10' high to the landing collar and approx. 57' above the end of the liner @ 12,019'. Started drilling with reverse circulation at 3.5 BPM and 1250 psi, held 50 RPM with 2-3,000lbs WOB. Got up metal shavings, cement and rubber from the wiper plug. SWFN.

Daily Cost Estimate: \$ 9,715

Cum Cost Estimate: \$2,141,514



**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/9/2013 06:00 to 8/10/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Broke circulation with 6 bbls, reverse circ. 3.5 BPM w/1250 psi. Started drilling on cement and plug with 4-5k WOB, 45-55 RPM, full circulation. Recovered small amount of rubber, cement, very light metal. In 30minutes metal in cuttings increased slightly. Drilled 2 hours and only made 2-3 inches. TOO H to inspect bit. Bit had all teeth worn off and cones were slick. This metal could only come from the millings dropped while grinding on the casing patch or when the wiper plug passed through the patch and picked up some metal which got imbedded into it. Had erratic torque while drilling rubber wiper plug, indicating metal. SWFN.

Daily Cost Estimate: \$ 50,150

Cum Cost Estimate: \$2,191,664

Date: 8/12/2013 06:00 to 8/13/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: TIH w/new bit, tagged at 11,944'. RU PS and reverse unit, filled hole w/2% KCL, took 20 bbls, 14 bbls more than previous fill up on Friday. Circ 2 BU, returns were only pieces of metal and rubber from plug. No formation or cement. Commenced drilling w/2.5 size PS due to the bales on the rig being too small for the 3.5 sized PS. Drlg w/ 5-15k WOB, 50-80 RPM and 2200 psi power swivel torque pressure. Made approx. 2.5' to 11,946'. Lost approximately 60 BW while drilling. Returns were metal chips and rubber. SWFN.

Daily Cost Estimate: \$ 21,223

Cum Cost Estimate: \$2,212,887

Date: 8/13/2013 06:00 to 8/14/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: RD 2.5 PS, RU 3.5 PS, break reverse circ, took 20 bbls to fill the hole with 4 BPM, 1300 psi. Circ 2 BU with no material cuttings returns. Commence drlg w/70 RPM, 8K WOB for 1 hr Increase to 80 RPM and 10K. Torque set at 3000 psi, torque was operating between 2500 and 3000 psi. PU wt 56K, SO wt 45K, SD wt 48K. Returns ranged from small to medium sized metal pieces, some rubber, no formation or cement at 10:30 AM. Circ pressure increased to 1550 psi w/same 4 BPM rate, drl tot of 2.5 hrs with to penetration made. TOO H for ROP and bit inspection. Bit lost all 3 cones and was wearing on shanks. Will TIH with mill tomorrow.

Daily Cost Estimate: \$ 10,145

Cum Cost Estimate: \$2,223,032

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/14/2013 06:00 to 8/15/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Open well no pressure. MU 3 7/8 mill & XO. TIH to 11,947' did not see anything while going thru CSG patch. RU swivel. Well took 23bbl to load. Cir @ 3bbl/min with 1,000psi - 1,110psi. TOH w/ 386jts of 2 3/8tbg. 3 7/8mill & XO. Secure well SDFN. Will run composite bridge plug in the AM.

Daily Cost Estimate: \$ 10,070

Cum Cost Estimate: \$2,233,102

Date: 8/15/2013 06:00 to 8/16/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Meet with Baker Tool Tech. On speed he wanted the plug run, pick up plug with setting tool. TIH w/plug slow and easy, plug hit an obstruction and slips set. Plugs forward progress was only to 9154', pick up weight 50K, string weight 48K, slack off weight 44K, Plug stopped with 5K below slack off weight, at 39K. Pick up to neutral or string weight, then 10K over. Plug does not move, to manually release setting tool from plug weight needed to pull over string weight needs to be 22K to break the shear pin. Decision was made to hydraulically set plug to keep it from turning while drilling up. RU reverse unit pump down tubing string, took 5BBls to hit plug and set with 2000Psi, release from plug. Rig down. Pump-in hose from derrick, set standback, rigged up on floor to test plug casing and patch with 2000Psi. Stopped all leaks in test line. Pressure up to 3000 psi 10 min, 3500 Psi 10 min, 4000 Psi 10 Min. No leaks on casing patch or casing to 9154'. Trip out of hole secure well.

Daily Cost Estimate: \$ 8,641

Cum Cost Estimate: \$2,241,743

Date: 8/16/2013 06:00 to 8/17/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Finish TOOH, LD composite plug setting tool. Mix and pump sweep of fiber sweep material. PU mill, BS, XO and TIH to 8861'. LD 10 jts, RIH 5 stds, PU swivel and break circulation. Hole was full, no loss. Rotate and circulate while going through patch and to plug @ 9154', did not see patch. Circ sweep of 2 gal MF55polymer, 4 gal diesel and Super Sweep. Milled on plug w/115-120 RPM and 500-1000 lbs WOB. Milled plug in 45 min., worked pipe 6 times, plug was gone and moved downhole. Circ 2 BU recovered sml pieces of metal in sweep fiber, pipe dope. No large metal pieces. RD swivel, SWFN.

Daily Cost Estimate: \$ 9,856

Cum Cost Estimate: \$2,251,599

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/19/2013 06:00 to 8/20/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: RU BHI logging unit, MU and RIH w/CCL, guage ring and junk basket to 9127' and hit obstruction. Took 3 attempts to get through, CIH to 10,619', log uphole and did not have drag through 9127'. Verify depth of casing patch as 8882', previously reported @ 8897'. TD measurement from drilling operation was in error, revised depth of liner shoe to 11,987' from 12,019'. PU and run CBL, RDWLU. Will run another composite BP in AM. SWFN

Daily Cost Estimate: \$ 16,645

Cum Cost Estimate: \$2,289,553

Date: 8/20/2013 06:00 to 8/21/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: PU Baker Quik Drill composite bridge plug on Mod J set tool. SLM in hole to set plug @ 11,972' 12' shallow to drill out guide shoe. Passed through casing patch @ 8882' and location of first prematurely set BP @ 9154' without trouble. CIH to 10,784' and plug prematurely set. Dropped ball, seat ball and pressured up to 2000 psig. Setting tool activated and sheared, releasing from plug. Filled hole with 31 bbls, RD pmp equipment, TOOH and SWFN.

Daily Cost Estimate: \$ 29,941

Cum Cost Estimate: \$2,319,494

Date: 8/22/2013 06:00 to 8/23/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Rotated back through plug set depth of 10,784' without trouble. RD PS, RIH w/3 stnds Pmp 10 bbls in reverse at 3.5 BPM and 1800 psi. RIH 3 stands and found plug 80 ft. down. Push plug 4 more stands for a total of 6 stands. Pmp 10 bbls down backside to keep debris ahead of mill. RIH w/6 more stands to 11,979', reverse circ for 1.5 hrs, recovering small metal and rubber chips. When returns were clean, RD pump and swivel, TOOH and inspect mill. SWFN.

Daily Cost Estimate: \$ 9,040

Cum Cost Estimate: \$2,340,602

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/23/2013 06:00 to 8/24/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: PU clean out assembly consisting of 1 jt of PH6 drill pipe, flapper valve, 1 jt of PH drill pipe, flapper valve, and crossovers as needed. TIH to 9237', reverse circulate 1 wellbore volume at 4.5 BPM and 1000psig. TIH to 10,848', reverse 1 wellbore volume at 4.5 BPM and 1200 psi, TIH to 11,221', reverse wellbore volume at 5.5 BPM, 1500 psi, TIH to 11,530' and reverse wellbore volume at 5.5 BPM, 1200 psi, TIH to 11,778', reverse wellbore volume 2X, TIH to 11,974' reverse 2X at 5 BPM 1500 psi. Recovered rubber, metal, and cement, circulated until returns were clean, then displaced hole with clean 2% KCL. TOOH w/ 30 std, restring blocks to 2 lines SD for lightning, SWFN.

Daily Cost Estimate: \$ 9,057

Cum Cost Estimate: \$2,349,659

Date: 8/24/2013 06:00 to 8/25/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: POOH 15 stds, check valve holding, pulling wet. Fill hole with 32 bbls. TOOH to top check valve and inspected, recovered small amount of rubber. Had same amount of rubber above bottom check valve, no metal recovered. Had valve plunger from guide shoe stuck in the end of the pipe. PU and MU CBP (Magnum Long Range small OD style) and TIH to 11,972'. Set plug at 11,970', drop ball and pump down at 2.5 BPM, pressure set plug at 4000 psig. Did not see good shear from setting tool, PU and test plug and wellbore to 4000 psig, held OK. Attempted to pull setting tool, tool is stuck. Circulate around tool and reattempt to move, no movement. SWFN.

Daily Cost Estimate: \$ 9,006

Cum Cost Estimate: \$2,358,665

Date: 8/25/2013 06:00 to 8/26/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: RU and circ down tbgs, moving pipe and pulling 51-60,000 lbs. Increase pull to 23k lbs over string wt, setting tool sheared from plug. Test casing to 4000 psi, held OK. RD circ equip. RU BHI pmp truck and spot 250 gas acid, RD BHI truck. TOOH, inspect setting tool, looked OK. RU saver sub for wellhead and test casing to 8050 psi, held OK. RD, SWFN.

Daily Cost Estimate: \$ 23,291

Cum Cost Estimate: \$2,381,956

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/26/2013 06:00 to 8/27/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: MU tubing conveyed perforating guns and PU same, TIH to 11,957'. RU circulating equipment. RU BHI and test lines to 4000 psi, circulate 10 bbls and close well in. Pump down tubing at 1.5 BPM bring pressure up to 3200 psi. All shots fired. Perforations at 11,957-11,808. POOH to window, SWFN.

Daily Cost Estimate: \$ 24,599

Cum Cost Estimate: \$2,406,555

Date: 8/27/2013 06:00 to 8/28/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: TOOH, LD workstring. Check TCP guns, confirmed all fired. TIH w/30 stds from derrick, LD same ND BOPE, install frac valve, RD and released CU at 1530 hrs. MI frac tanks and filling same for frac job.

Daily Cost Estimate: \$ 22,078

Cum Cost Estimate: \$2,428,633

Date: 8/28/2013 06:00 to 8/29/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Fill tanks, set up frac equipment. Frac crew SD for mandatory 8 hr rest. Will resume in AM. 65% RU.

Daily Cost Estimate: \$ 17,342

Cum Cost Estimate: \$2,445,975

Date: 8/29/2013 06:00 to 8/30/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Cont RU and finish pressure testing. Fraced 11,957-11,808. Miscommunication between wireline operator and frac operator caused the pumps to be engaged to pump the plug down while the frac valve was closed. The plug and perf assy was propelled to the top of the lubricator when the lubricator pressure relief valve actuated, breaking the wireline head. RDWLU and send to shop for repairs and a new plug and perf assembly. SWFN.

Daily Cost Estimate: \$ 141,500

Cum Cost Estimate: \$2,587,475

Date: 8/30/2013 06:00 to 8/31/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Recovered all debris from damaged plug and perf assembly out of the top frac valve. RIH with plug and guns. Perf and Fraced 11740-11081. Held 1500 psi on backside. SWFN.

Daily Cost Estimate: \$ 141,500

Cum Cost Estimate: \$2,728,975

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 8/31/2013 06:00 to 9/1/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: RUWLU RIH with Plug and Shots, Set Plug, Perf and Fraced 10,850-10,992, Shut In Well, Release Frac Crew, Rig Down.

Daily Cost Estimate: \$ 824,798

Cum Cost Estimate: \$3,553,773

Date: 9/1/2013 06:00 to 9/2/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Monitor well pressure, well on vacuum in morning, slightly less vacuum in afternoon. Emptying frac tanks and moving to make room for CT unit Monday afternoon.

Daily Cost Estimate: \$ 1,500

Cum Cost Estimate: \$3,555,273

Date: 9/2/2013 06:00 to 9/3/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Bled off pressure from 9 5/8" annulus to 7" annulus. 4 1/2" casing still on light vac. RU crane and CTU equipment. 50% CT equipment RU.

Daily Cost Estimate: \$ 1,500

Cum Cost Estimate: \$3,556,773

Date: 9/3/2013 06:00 to 9/4/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Continue rigging up coil tubing equip. Pick up on coil tubing coil tubing connector, DUAL Back Pressure Valve, Fau Hydraulic Disconnect, Dual Circulating Sub, Tempress Hydro Pull Tool, Xtreme Air Navi Motor, OPTI / GLYPH BUTTERFLY mill total length 25.42'. Trip in hole to 10,300. Try to break circulation, and try to lift with nitrogen. Pull out of hole to 1700'. Broke circulation slowly trip back in hole raising BPM rate and lowering as needed to keep circulation, drill plugs, sweep hole, start trip out to blow down well.

Daily Cost Estimate: \$ 123,289

Cum Cost Estimate: \$3,680,062

Date: 9/8/2013 06:00 to 9/9/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: MIRUCU, pump, tanks, cable spoolers and banders. Tally 1st layer of 2-3/8" 4.6 ppf EUE 8Rd L80 tubing. Well had 400 psi SITP, bled off to reserve pit, no liquids, only nitrogen. SWFN WO ESP pumping equipment.

Daily Cost Estimate: \$ 1,500

Cum Cost Estimate: \$3,681,562

**Greystone Oil & Gas, LLP**  
**State AQ #8H**  
**Daily Report**

Date: 9/9/2013 06:00 to 9/10/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: PU 6 tail jts of 2-3/8" EUE 8Rd 4.3 ppf L80 tbg with bull plug, sand separator, sensor, motor seal, intake gas separator, pump 1, pump 2 for a total of 271'. While TIH, motor assy was dragging. POOH, found pot head at cable connection was incorrectly installed, and protruding out more that 3.75". Design is 3.38". LD motor and checked, found motor locked up. Motor had not been bench tested in Midland. LD motor assy, PU top layer of tubing and stood in derrick. SWFN. Rebuilt motor assy to be delivered in AM.

Daily Cost Estimate: \$ 50,195

Cum Cost Estimate: \$ 3,731,757

Date: 9/10/2013 06:00 to 9/11/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: Install ESP as follows: 2 3/8" 8Rd 4.6 ppf L80 tail pipe, sand separator, 2 motors, seal, intake gas separator, 4 pumps. MU cable and test, SIH, banding cable. TIH to 7870'. SDFN.

Daily Cost Estimate: \$ 7,163

Cum Cost Estimate: \$ 3,738,920

Date: 9/11/2013 06:00 to 9/12/2013 06:00

Start Depth: 13,288' End Depth: 13,288'

Daily Summary: TIH w/ 2 3/8 tbg & pump. End 2 3/8 tbg (tail pipe) @ 10,196.50. Sand sep @ 10,005, sensor @ 10,001, flowlines. Flowback well.

Daily Cost Estimate: \$ 8,078

Cum Cost Estimate: \$ 3,746,998